

Statement of the Honorable Sue W. Kelly  
H.R. 1167  
Wednesday, July 27, 2005

Thank you, Madam Chairman.

HR 1167 – The Cut Unnecessary Regulatory Burden (CURB) for Small Business Act demands that the GAO, at the request of a subcommittee or full committee chairman in Congress, evaluate any promulgated rules and regulations that would have an annual effect on the economy of \$100 million or more.

This mechanism gives Congress proper oversight because a request by Congress would require the GAO to do a cost/benefit analysis, as well as evaluate the presence of redundancy and overlap in the rules and regulations.

Congress, through the GAO, would have knowledge of and the ability to fully evaluate unfair costs or impacts on small businesses before new rules are implemented.

Most importantly, GAO's analysis would allow Congress to submit more informed and more influential comments on the cost, scope and content of proposed rules during the public comment period, and hold hearings if necessary.

Since the 104<sup>th</sup> Congress, I have led the fight for a Congressional Office of Regulatory Analysis (CORA). As you may know, those efforts resulted in the passage of the Truth In Regulating Act of 2000 (TIRA). President Clinton signed it into law.

TIRA authorized a 3-year pilot project adding a function at the GAO to respond to Congressional requests and provide for such Congressional oversight. It has now sunsetted.

Last Congress, the House passed the Paperwork and Regulatory Improvements Act of 2004, which contained a similar provision that would have made permanent this pilot program. That bill did not pass the Senate.

Thus, I have introduced The CURB for Small Business Act, which again works to make permanent the TIRA bill passed in 2000.

The oversight mechanism in HR 1167 is tailored to specifically protect small businesses from burdensome and duplicative regulations.

In New York's Hudson Valley, where small business owners have reiterated that unnecessary paperwork and unreasonable government regulations are the most severe problem they face every day. The small businesses are begging for relief.

And, this is no surprise. The burden of regulatory compliance on small businesses is as much as 50 percent more than for larger companies.

The increased workload and time commitment is not the only concern. Cost is also an issue. Troublesome and duplicative regulations costs the average small business almost \$7,000 dollars per employee each year.

Rather than using this money to hire new employees, as well as create and enhance customer relations – small businesses are forced to lose money in complying with excessive regulations.

Passage of HR 1167 is important for small businesses across the entire nation.

Small businesses are the primary engine of economic growth in our communities. We cannot go without the 7 out of 10 new jobs created each year by small businesses.

This legislation helps solve the dilemma of overly burdensome regulatory schemes in a number of ways.

- The CURB for Small Business Act improves the transparency of decisions at our federal agencies. Doing so enhances the efficiency in the way regulations are designed and implemented. This leads to competent, economical use of government resources, and most importantly provides sensible rules for the small businesses that must comply.
- The Act promotes valuable Congressional oversight. Because Congress provides authority for the administrative agencies to create regulations, it makes sense that the Congress should retain some ability to make certain those regulations do not create waste in government, or worse, redundant and unnecessary rules for small businesses.
- The bill also increases the accountability of Congress. This is one method of assuring that not only are federal administrative agencies doing their job, but also that Congress is keeping up with its obligation in providing the authority to the agencies. Agency personnel is not elected. Because Congress is, we must answer to our small business owners and they are asking for relief.

The CURB for Small Business Act is a positive step in helping small businesses and keeping regulations fair. As elected Members of Congress, we should have oversight over the thousands of rules and regulations established by government agencies.

This piece of legislation does just that.

Thank you for allowing me to testify in front of the committee today and I look forward to the committee's support.